

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

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IN RE: DEALER MANAGEMENT SYSTEMS)	MDL No. 2817
ANTITRUST LITIGATION)	Case No. 1:18-CV-00864
)	
)	
)	Hon. Robert M. Dow, Jr.
<i>This Document Relates To:</i>)	
)	
i3 Brands, Inc. et al. v. CDK Global, LLC, et al.,)	
No. 1:19-CV-01412)	

**STIPULATION PURSUANT TO RULE 15(a)(2) REGARDING PLAINTIFFS' FIRST
AMENDED COMPLAINT AND DEFENDANTS' PENDING MOTIONS TO COMPEL
ARBITRATION AND/OR TO DISMISS**

Plaintiffs i3 Brands, Inc. and PartProtection, LLC (collectively “Plaintiffs”) and Defendants CDK Global, LLC (“CDK”) and The Reynolds and Reynolds Company (“Reynolds”) (collectively, “Defendants”), by and through their undersigned counsel, jointly submit this Stipulation pursuant to Rule 15(a)(2) of the Federal Rules of Civil Procedure.

WHEREAS, this multi-district litigation (“MDL”) proceeding was initiated on February 1, 2018. (ECF No. 1.)

WHEREAS, on February 4, 2019, Plaintiffs filed their Complaint against Defendants in the Southern District of California, and their lawsuit was transferred to this MDL proceeding on March 5, 2019.

WHEREAS, Plaintiffs asserted the following claims against Reynolds in their Complaint:

(i) claims for violation of the Sherman Act (Counts I-III) and California’s Cartwright Act (Count IV); (ii) a claim that Reynolds engaged in unfair practices in violation of California’s Unfair Competition Law (Count V) (the “Reynolds UCL Claim”); and (iii) state law claims for breach of

contract, promissory estoppel, fraud, trade secret misappropriation, and intentional interference with prospective economic advantage (Counts VI-X) (the “Reynolds State Law Claims”).

WHEREAS, on April 1, 2019, CDK filed its Motion to Stay, or, in the Alternative, to Dismiss (“CDK’s Motion”) (Dkt. 605), and Reynolds filed its Motion to Dismiss in Favor of Arbitration, or in the Alternative, to Dismiss Under Rule 12(b)(6) (“Reynolds’ Motion”) (Dkt. 601) (collectively “Defendants’ Motions”).

WHEREAS, on April 5, 2019, Reynolds filed the case captioned *The Reynolds and Reynolds Company v. i3 Brands, Inc. and Michael Lucas*, No. 4:19-cv-1260 (S.D. Tex.) (the “Texas Litigation”), in which it asserted claims against Plaintiff i3 Brands, Inc. and its CEO, Michael Lucas.

WHEREAS, Defendants’ Motions (Dkts. 605 & 601) were fully briefed as of May 24, 2019. (Dkt. 622.)

WHEREAS, Plaintiffs and Reynolds have reached an agreement that will promote the efficient administration and adjudication of their claims pending against each other in this case and in the Texas Litigation.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between Plaintiffs and Defendants that:

1. Plaintiffs will file a First Amended Complaint in this action that will be substantially the same as their initial Complaint, except they will (i) delete the Reynolds State Law Claims (Counts VI-X) in their entirety, (ii) delete all allegations relating to the Agreement of Basic Terms that Plaintiffs have alleged i3 Brands and Reynolds entered into; and (iii) delete the portion of the Reynolds UCL Claim (Count V) that relies on the above. A copy of the First Amended Complaint, which redacts the same confidential information that Plaintiffs redacted in their initial

Complaint, is attached hereto as Exhibit A.¹ Upon entry of the Court's order approving this stipulation, Plaintiffs will move for leave to seal portions of their First Amended Complaint and contemporaneously file their First Amended Complaint under seal.

2. In the First Amended Complaint, Plaintiffs will not assert any new claims, but will continue to prosecute the following claims that they previously pleaded against CDK and Reynolds: Counts I-IV against CDK and Reynolds for violations of the Sherman Act and Cartwright Act; Count V, as amended, against CDK and Reynolds for unfair practices in violation of the California Unfair Competition Law; and Count XI against CDK for intentional interference with prospective economic advantage. All parties reserve all rights and defenses as to those remaining claims, including any arbitration rights.

3. Plaintiffs will assert the Reynolds State Law Claims as counterclaims in the Texas Litigation. All parties reserve all rights and defenses as to the Reynolds State Law Claims, including any arbitration rights, except for any rights and defenses they have expressly agreed they will not assert in the Texas Litigation. Subject to its reservation of rights and defenses, Reynolds consents to Plaintiffs' filing of their First Amended Complaint, as required by Rule 15(a)(2) of the Federal Rules of Civil Procedure.

4. Subject to its reservation of rights and defenses, CDK consents to Plaintiffs' filing of their First Amended Complaint, as required by Rule 15(a)(2) of the Federal Rules of Civil Procedure.

5. **Impact on pending motions:** In eliminating some of the claims asserted in this action, this stipulation moots some, but not all, portions of the briefing on Defendants' Motions

¹ Before Plaintiffs' action was consolidated in this MDL proceeding, the Southern District of California granted Plaintiffs' *Ex Parte* Motion to Seal Portions of Complaint and Certain Exhibits Thereto. *See i3 Brands, Inc. et al. v. CDK Global, LLC, et al.*, No. 19-cv-252 (S.D. Cal.) (Dkt. 11.)

(Dkts. 605 & 601). To avoid duplicative briefing and delay on Defendants' Motions, the parties agree that the portions of the Motions, (Dkts. 605 & 601), Responses (Dkts. 679 and 675), and Replies (Dkts. 705 and 702), that relate to the claims that Plaintiffs will continue to prosecute in their First Amended Complaint should be deemed filed and ripe for adjudication. The parties will identify for the Court the portions of the pending briefing that remain ripe for decision no later than Monday, November 25.

STIPULATED AND AGREED:

/s/ Michael E. Bloom

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CERTIFICATE OF SERVICE

Michael E. Bloom, an attorney, hereby certifies that on November 19, 2019, he caused a true and correct copy of the foregoing **STIPULATION** to be filed and served electronically via the court's CM/ECF system. Notice of this filing will be sent by e-mail to all parties by operation of the court's electronic filing system.

/s/ Michael E. Bloom